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1968-69 WORLD SUGAR CROP TO SET RECORD; MOLASSES ALSO UP

The 1968-69 world sugar production is estimated at 76.4 million short tons, raw value. This is a record crop, exceeding the 1967-68 production of 73.1 million tons by 4.5 percent. The cane-producing countries will account for the biggest part of the increase. Cane sugar production will account for 42.7 million tons or 55.9 percent of the total.

Production of noncentrifugal sugar in 1968-69 is expected to be up by 1 million tons. This increase will be almost entirely in India.

World molasses production for 1968-69 is estimated at 3.8 million gallons, up slightly from the 3.7 million gallons produced in 1967-68. The United States and India are expected to have substantial increases.

A new International Sugar Agreement which was negotiated in September and October in Geneva, was approved on October 24. This agreement was under the auspices of UNCTAD, and it is proposed that it become effective January 1, 1969, The agreement provides a price range of 3.25 to 5.25 cents per pound, f.o.b., Caribbean port and stowed basis, for world market sugar traded. The new agreement establishes export quotas, as well as minimum and maximum prices, neither of which have been in effect under the old agreement since 1961. Exports of sugar under certain special arrangements will be exempt from quota. These arrangements include exports under the Commonwealth Sugar Agreement of 1951, by Cuba to socialist countries, by the African and Malagasy Sugar Agreement, and to the United States of America for consumption therein.

Production Notes on Selected Countries

North and Central America

Canada: The Dominion Bureau of Statistics (DBS) has estimated the 1968 acreage sown to sugarbeets at 80,260 acres, 3.7 percent lower than the 1967 crop of 83,305 acres. Sharp increases in Alberta, Manitoba, and Quebec Provinces partially offset the elimination of sugarbeets in Ontario.

Because of the high cost of transporting bulky raw sugarbeets, refining takes place in the area where they are grown. Since the beets are grown in widely separated sections of the country, each refinery handles only the local production, which keeps it operating only a few months each year. The sugarbeet plant at Chatham, Ontario, closed early this year because it was not profitable to operate for this short time each year or to refine imported cane sugar during the remainder of the year.

Imports supply over 85 percent of Canada's domestic sugar requirement. The Republic of South Africa, Australia, and Mauritius have been the three largest suppliers of raw sugar during the January-July period of 1968.

Mexico: The 1968-69 sugar crop is expected to be up slightly from 1967-68. More loans have been granted to sugar producers this year. During the world sugar shortage of 1963 and 1964, Mexico introduced a program to greatly expand production of sugar. But the situation changed, and there has been a world surplus for the past 3 years. Mexico has held the line on production increases and last year even reduced acreage.

Bahamas: The Bahamas now has 16,000 acres in sugarcane. This will be expanded to 30,000 acres in a few years. The mill that was built recently has a capacity of 100,000 tons.

Barbados, Antigua, St. Kitts: A dry growing season during 1967, complicated by labor disputes which delayed starting of the harvest and an unusual number of cane fires, caused a sharp drop in Barbados sugar production. The reduction in Antigua resulted primarily from the aftereffects of the liquidation of the old sugar company. Continued dry weather during the 1967 growing season caused a decrease in St. Kitts production. An increase in production for 1968-69 is predicted as it is expected that (1) there will be a better distribution of rainfall, (2) acreage in Antigua will be increased by 4,000 acres, and (3) there will be a lower incidence of maliciously set cane fires in Barbados.

Dominican Republic: An increase in production is forecast for 1968-69 as the crop is not expected to be affected as much by drought as it has been in the past 2 years. Total area in cane has remained steady during the last couple of years. Stocks at the beginning of 1968 amounted to over 100,000 tons but will be down to about 20,000 tons at the end of the year.

Guadeloupe: Production was up for 1967-68, entirely because of an increase in sugar yield, which more than compensated for a decrease in tons of cane produced. Acreage harvested for 1968-69 will be up by 1,000 hectares (2,471 acres), mostly a result of new plantings. In an effort to modernize the small-farmer sector of cane production, several cooperatives have been formed for the purpose of providing machines for the use of groups of farmers. These cooperatives have concentrated on providing mechanical loading trucks for transporting cane to the mills. Through the 1967-68 season there were seven companies operating nine mills on Guadeloupe and one company with one mill on Marie Galente. In an effort to increase their efficiency the two largest companies have now completed negotiations for merger and have already announced that their mill at Marquisat will be closed permanently. Since the newly consolidated company will account for approximately 45 percent of Guadeloupe's sugar, some other mills are expected to discontinue operations in the next few years.

British Honduras: Production of sugar has increased every year since 1962. There was a record production for 1967-68, even though dry weather and "frog hopper" infestation reduced yields. Due to continuing low world prices clearing of land for sugarcane production is being limited and acreage is not being expanded.

Jamaica: The 1968-69 production may be down somewhat as dry weather has held back replantings. Although drought during late 1967 and 1968 reduced the amount of cane produced, a higher average sugar content resulted in a larger production. At the beginning of 1968 there were 18 mills operating in Jamaica. Two mills have since closed, but it has been indicated that substantial portions of the estates' lands would remain in cane.

Martinique: The Martinique sugar industry is putting increased emphasis on mechanizing cane cutting and loading in an effort to reduce production costs. Consolidation of the six sugar mills on the island is being considered. Industry moves toward mechanization this year have precipitated the abandonment of 1,800 hectares (4,500 acres) of sugar lands not suited for mechanization.

Trinidad and Tobago: There has been a good growing season for sugarcane, and the 1968-69 crop is expected to show an increase. About two-thirds of the cane is supplied by large estates and one-third by cane farmers. Aerial spraying of farmers' canes against frog hopper has reportedly boosted yields.

South America

Argentina: Several mills have reportedly made improvements in their extraction process; these improvements have resulted in higher yields. Although sugarcane produced in the Provinces of Salta and Jujuy has a higher sucrose content than that in Tucumán, the latter is still considered the "sugar bowl of Argentina." Tucumán has 57 percent of the total planted area. Two sugar mills in Tucumán are closing. The so-called "Operation Tucumán" is progressing satisfactorily. The goal is to change the sugar monoculture to diversified farming. Climatic conditions in Tucumán are favorable for production of various horticultural crops which can compete in the domestic market with produce from other early-season zones. Some farmers have diverted part of their cane area to tomatoes, peppers, potatoes, cereals, and oilseeds.

Brazil: Sugarcane acreage for the 1968-69 crop is up by 7 percent. Both exports and domestic consumption are expected to show an increase this year. The sugar terminal being built at Recife is expected to be in use by March 1970.

Chile: The 1968 drought which has affected the main sugar-producing provinces could have had very severe repercussions on sugar plantings had it not been for the measures taken by the government to grant credit to farmers for the construction of canals, soil leveling, fertilizers, and seeds. The decrease in plantings, according to areas contracted for 1968-69, will be only about 5.6 percent. Area harvested for sugar for the 1967-68 season was up by about 4.5 percent over the previous year. More than half the area devoted to sugarbeets has been affected by the 1968 drought.

Colombia: Production of centrifugal sugar during 1968-69 is expected to be up 10 percent over the previous year and 41 percent from the most recent 5-year average. Higher yielding varieties have recently come into production, cultural methods have been better, and extraction is more efficient due to expansion and modernization of most of the mills in the Cauca Valley where all the sugar mills are located. Modernization and expansion began in 1963 when sugar prices were high; there was a sharp upturn in the country's sugar milling capacity and the acreage planted to sugarcane.

Guyana: Labor unrest caused a late start in the harvest this year, and there is likely to be a lower yield in tons of cane for 1968-69 as well as a lower yield of sugar per ton of cane milled. However, sugar manufacturers are predicting an increase in the fall sugar production coming from the "small farmer" segment of the sugar industry. Guyana recently established a Cane Farming Development Corporation for the purpose of making loans to small farmers for expanding their production of sugarcane. Spokesmen for the sugar estates estimate that 100 percent of the sugar lands could be harvested mechanically. However, because of a strong labor union, no cane is harvested or loaded mechanically in Guyana. In a continuing effort to reduce costs, all other aspects of the sugar industry are modernizing.

Peru: Sugar production for 1968-69 is expected to be down some 13 percent. This is due entirely to the severe drought which occurred in the major sugarcane producing area in 1968. However, if the water supply improves during the next few months, sugar production would be expected to increase in the last half of 1969. Some mills are installing improved sugar extraction equipment in an effort to improve yields. In July of 1968 a large sugar mill completed the first phase of a $35 million expansion program in its paper mill, which utilizes sugarcane bagasse. Another paper mill with an annual capacity of 45,000 metric tons of paper is scheduled to be completed soon.

Uruguay: Sugarbeet planted area for 1968-69 increased by 19 percent, beet production is expected to be up 119 percent, and sugar production up by 116 percent from the low 1967-68 level. Sugarcane acreage has dropped about 6 percent for 1968-69. The lower planted area is attributed to the lack of credit for planters. Weather conditions for cane have been much more favorable than last year, and cane sugar production will be about double that of the previous year.

Venezuela: Production may be up slightly for 1968-69 but not to the level of 1966-67. Assuming the upward trend in domestic consumption continues, a further reduction in large carryover should be possible. A new sugar mill will go into operation by the end of 1968 in the State of Portuguesa. It will process all the new sugar cane which will be grown in that area. Two antiquated mills are being closed down, but the new mill will still represent an increase in capacity.

Europe

Austria: In general, the 1968-69 season has not been conducive to the development of sugarbeets. Especially in the eastern part of the country, where about three-fourths of the total sugarbeet acreage is located, extreme drought conditions in the earlier part of calendar year 1968, in combination with insufficient subsoil moisture and late-night freezes, have caused considerable damage. About 23 percent of the acreage had to be replanted this year. According to plans, a quantity of sugar equal to that imported in the last 2 years to cover domestic requirements (about 19,000 metric tons) will be exported at the end of the current sugar campaign.

Belgium: The area planted to sugarbeets this year is estimated at 90,100 hectares (225,000 acres) which is a new record high and represents an increase of 15.6 percent and 35.4 percent over 1967 and 1966, respectively. Average yield this year is up, but sucrose content is down. Production is expected to equal the annual quota assigned to Belgium by the EEC sugar CAP (common agricultural policy). During 1967-68, at least 110,000 metric tons of Belgian sugar was "denatured" for use in livestock feeds. Of this amount, about 80,000 tons were exported, nearly all to West Germany. There seems to be little chance to increase "denaturing" in 1968-69 as the premium for "denatured" sugar is considered by processors to be too low to encourage "denaturing" versus exporting refined sugar. According to agricultural technicians the practical ceiling for sugarbeet area in Belgium is about 95,000 hectares (237,500 acres).

Denmark: The sugarbeet harvest is expected to be somewhat less than last year, in line with the smaller area contracted. Two contracts have been established with Finland for the export of a total of 75,000 metric tons of sugarbeets during 1968-69. Sugarbeet production in Sweden has been expanded to a level that would seem to preclude the resumption of sugarbeet exports to that country. The basis for sugarbeet production was changed in 1966-67 to apply to the remainder of the current concession period, which expires in 1971. An area of 50,000 hectares (125,000 acres) will be contracted annually without regard to size of harvest, and the growers will assume the cost risks involved in overproduction. Beets from the contracted area will be processed for domestic sugar consumption, but only 248,000 metric tons of sugar will be processed at a fixed price under the government concession. Production for export is now carried out at the industry's own risk and is not included under the government concession.

France: Production area was increased about 31 percent this year. Yields were slightly higher this year than last, but sugar content was somewhat lower because of rains during the summer months and an abundance of weeds in many fields.

West Germany: Sugar production for 1968-69 is expected to be down slightly. Beet yields were lower; however, this was offset partly by a slightly higher extraction rate and increased area harvested. In the past year (1967-68) some 250,000 metric tons of sugar were denatured and fed to livestock. About 20 percent of this was from domestic production, and the balance was from imports. The amount of sugar to be fed in the coming year to livestock will depend on world market prices for sugar.

Ireland: A record harvest of sugarbeets was made this year. The very good weather conditions during the growing season are mainly responsible for the increase in yield per acre. Two long-term factors are also responsible--improved seed and improved husbandry methods. Domestic sugar production from the 1967 crop of sugarbeets accounted for 47 percent of the 1967-68 available supply. Sugar imports are expected to decline for 1968-69 as stocks have built up to high levels.

Italy: Acreage for 1968-69 was about 18 percent below last year. There was a poor crop in the Po Valley as climatic conditions during last summer were characterized by persistent rains and below-normal temperatures. Italy has 7 more years to prepare itself to meet open competition with other Common Market members. Sugar production costs in Italy are said to be above the EEC average. The annual production quota of 1,230,000 metric tons allowed Italy permits a breathing spell for the time being. The government is advocating that growers fully mechanize each stage of production wherever possible.

Netherlands: Despite a larger sugarbeet area this year, a lower production is estimated as adverse weather affected the average sugar content of the beets. Wet weather even hampered harvesting. The 1968-69 production quota under the EEC sugar regulations is set at 550,000 metric tons of sugar. As there was a surplus of some 110,000-115,000 metric tons from 1967-68, then only 435,000-440,000 metric tons of refined sugar will receive the full price of $17.00 per metric ton, beet equivalent. Considering the 1968-69 crop, there will be an overproduction of about 200,000 metric tons. There are basically two ways to dispose of this surplus: (1) to bring this sugar under the reduced or so-called half-fat price of $10.00 per metric ton, beet equivalent; and/or (2) to export the sugar without export subsidies.

Spain: The larger 1968-69 sugar crop in Spain is attributed to a moderate increase in acreage and above-normal yields. There had been predictions for a considerable acreage expansion, but the overall increase was less than 5 percent. High summer temperatures do not seem to have affected the crop, and the weed problem was less troublesome than anticipated in the spring. The larger domestic crop this year and record high carryover stocks will probably reduce considerably the need for imports during the 1968-69 season.

Switzerland: Sugarbeet acreage was increased this year but growing conditions during most of the season were unfavorable. Sugar content and yields are expected to be smaller than last year.

Sweden: Cultivation of sugarbeets continues on an acreage of approximately 40,000 hectares (100,000 acres). Except for the acreage ceiling, the only condition established by the government for continued cultivation is that beet prices are adjusted to the EEC level. This transition has been completed with the 1968 crop, and the question of discontinuance of sugarbeet production is no longer being discussed. Imports of Danish beets have been discontinued and will not be resumed according to an agreement between Sweden and Denmark.

United Kingdom: While wet weather this year increased the size of the beets, it had an adverse effect on sugar content. Indications point to a falling off of consumption during 1967-68 (Sept.-Aug.). U. K. sugar exports fell sharply during this period and stocks during the past summer have been at a high level. The consumption decline may be attributed to a decline in ice cream and soft drink consumption due to a bad summer. In addition, U. K. soft drink manufacturers are making a wide range of "noncaloric" products using cyclamates. U. K. beet sugar production for 1968-69 will probably be up slightly, and with opening stocks at a high level and some downtrend in consumption, the import demand could be lower than usual.

Yugoslavia: A decline in production is indicated for 1968-69, resulting from reduced acreage and smaller average yields. Reasons for reduced production are said to be a combination of accumulated stocks of sugar, heavy imports of refined sugar coinciding with an increased domestic production, and the unsettled financial position of the sugar industry. Increased stocks of sugar and inadequate storage facilities have compelled the sugar industry to contract for only 2,600,000 tons of sugarbeets this year. This is the first time that the industry contracted on the basis of quantity, rather than acreage.

U.S.S.R.: Acreage devoted to sugarbeets for the 1968-69 crop is estimated at 3.6 million hectares (8.9 million acres), compared with 3.8 million last year when a record sugar production was realized. The weather was favorable for production this year, and sugar production will probably be only slightly below that for 1967-68.

Africa

Mozambique: The unbroken uptrend in Mozambique's sugar production reflects expansion programs initiated in 1965 in the Province's three sugar-producing estates. The establishment of two new estates, "Maragra" near Lourenço Marques and "Acucareira" near Beira, is expected to further boost production in the immediate future. After meeting its own expanding needs, practically all of Mozambique's sugar production is sold to continental Portugal at favorable prices that are fixed annually. Some imports were made in both 1966 and 1967 as there was a large increase in sales to Portugal. This production-export-ratio distortion, which resulted in imports from Rhodesia, has now been corrected. The outlook for production, consumption, and exports points to continued growth.

Rhodesia: Government loans to the sugar industry were reduced by about one-third for the 1968-69 crop. Wheat and citrus crops have to a large extent displaced sugar production in the Lowveld. It is not expected that Rhodesia in the near future will expand its sugar production to the level it had attained.

South Africa: Arrangements were made to limit production this year to 1.8 million short tons of sugar. This is being done by a quota system and initially affects only those producers whose basic sucrose quotas were allocated before May 1, 1964. The quota for these producers will be 85 percent of their highest average delivery for two seasons, up to and including the 1967-68 season. It was thought that droughts in Natal and Zululand might affect production this year, but good rains during August improved the outlook.

Rwanda: Nationalist Chinese aid to Rwanda, which has concentrated on the development of a rice culture since its inception in 1964, is in the process of changing its emphasis from rice to sugar. Although it will maintain rice production at its present sites (Kigali, Butare, Kibuye, and Gangugu), it will not in the near future attempt to increase the acreage. Sugarcane is being planted in the Nyabarongo River Valley outside Kigali, and a refinery is being built to process the crop. The Government of Rwanda hopes that this sugar production will fill the local demand.

Swaziland: Production continues to increase, although only slightly in the last 2 years. The total number of persons employed in the sugar industry in 1967 was 10,500 or 33.6 percent of the total of 31,297 employees recorded for the whole country. For 4 of the past 5 years sugar (including molasses) was the most valuable export from Swaziland. In 1967 exports represented 24.2 percent of total exports.

Zambia: Yields from Zambia's first sugarcane crop at Nakambala are running at an average of more than 24 percent higher than estimates. This year's crop will almost reach the planned target figure set for next year when a higher acreage will be reaped. The planned crop for next year, when 5,750 acres are to be planted, is 30,000 tons of sugar. Planned expansion of the area planted to cane is top priority to meet the rising demand for sugar.

Asia and Oceania

India: Sugarcane acreage this year is up about 30 percent from a year ago. The partial decontrol of sugar introduced in 1967-68 will continue in 1968-69. However, the price and distribution controls have been extended to cover 70 percent of the mills' annual production, while the mills' entitlement to sell sugar in the free market has been reduced from 40 to 30 percent. Controlled prices of mill sugar are about 11 percent higher than a year ago. Weather conditions have been generally favorable for the 1968-69 crop. During the 1967-68 season, 200 of the 202 sugar mills in the country operated.

Iran: Production increased sharply this year, mainly because of expansion of the area under sugarbeets. Some increase also is expected from sugarcane. Total sugar production for 1968-69 is estimated to be up by 17 percent but will still be only 80 percent of consumption.

Japan: The Sugar Demand and Supply Deliberation Committee, guided by the Ministry of Agriculture and Forestry, continues to determine a "guidepost" for the adequate level of production of refined sugar. The actual melting of raw sugar, however, is revised in accordance with the actual demand and supply situation for refined sugar. The plan of the All-Japan Sugar Refiners' Association for cutting its members' production facilities by about 30 percent has not yet been put into effect. Consolidations of sugar refining companies, however, continue. Imports of raw sugar in 1967-68 increased 7 percent, and imports for 1968-69 are likely to increase by about 6 percent.

Pakistan: The government has a plan for the expansion of sugarbeets in the Peshawar region, West Pakistan. Plans call for about 50,000 acres of new land to be planted in the Kuram region. It is expected that this acreage would meet the sugarbeet requirements for three sugar mills in this region during the off-season for sugarcane. Only about 3 percent of total sugar production is accounted for by sugarbeets. Sugarcane acreage and production decreased by 17.9 percent and 12.6 percent, respectively, from 1966-67. Acreage has increased for 1968-69, however, to 1,842,000 acres, from the 1,657,000 acres of 1967-68. During 1966-67, some of the sugarcane was not purchased by the sugar mills and the growers were therefore reluctant to plant sugarcane in 1967-68 but shifted to other cash crops like cotton, oilseed, and wheat.

Philippines: The government is making an effort to boost production since, for the past 3 years, dry weather and other factors have resulted in the loss of several million dollars worth of export opportunity for sugar. The longer term outlook is more favorable. Several new sugar centrals are scheduled to start operations in 1969, and more are in the planning stage. Construction of all of these mills will increase the country's milling capacity by more than 50 percent; however, it is less certain that acreage can be expanded enough to supply adequate cane for this much larger capacity. Prolonged drought impaired the germination of the 1967-68 crop and, along with typhoon damage, will cause some loss to the 1968-69 crop. On the other hand, expanded plantings for the current year's harvest have been reported.

Thailand: The present government policy is to increase sugar production to meet domestic demands and to fulfill the U. S. quota. Another basic policy of the Sugar Price Stabilization Board is to stabilize sugar prices at reasonable levels which would benefit cane growers, sugar millers, dealers, and consumers. The Sugar Institute is trying with utmost effort to bring down the cost of sugarcane and sugar production. Although there is a promising outlook for 1968-69 production, the domestic industry requirement is increasing at a parallel rate. The long dry spell that affected sugarcane production in 1967-68 hiked up mill cane-buying prices. The short supply situation was alleviated by the Stabilization Board buying sugar from mills and selling onto the markets from time to time throughout the season.

Turkey: As export possibilities have been limited in recent years, sugar stocks have reached large quantities. The Sugar Company has attempted to improve its financial situation by trying to limit production by reducing acreage. Some reduction in acreage has taken place in the last 3 years. Sugarbeet prices have been kept at the same levels for the third consecutive year while production costs have increased continuously. Sugar production for 1968-69 will be down because of a reduction in acreage and less favorable weather conditions.

Australia: The outlook for 1968-69 is for a new record crush. Larger acreages are available for cutting, and cane yields per acre are also above last year. Recently, there has been a rapid buildup of exportable raw sugar stocks. Although shipping movements have been heavier than a year ago, it is expected that a substantial volume of sugar will be available for shipment at the beginning of 1969.

Noncentrifugal Sugar

Total world production of noncentrifugal sugar for 1968-69 is estimated at 9.4 million short tons. This is an increase of 12 percent over 1967-68, due almost entirely to a much larger production in India.

Colombia's production of noncentrifugal sugar during 1968-69 is expected to be down slightly from 1967-68. This is attributed to the fact that many panela processors have decided to close their mills as prices of panela remained low during 1967-68. The big cane harvest in India in 1968-69 is likely to stimulate production in all sectors of the sugar industry. Therefore, an increase of 1 million tons in production of noncentrifugal sugar is forecast for India. Except for retrictions on the export of gur from Madras and Maharashtra States, there is no control on the movement of prices of gur. Lack of rainfall has reduced the sugar yield of cane for noncentrifugal production in the Philippines for the last 2 years and little change is likely for 1968-69. Production for the 1968-69 year in Thailand is expected to be up by almost 10 percent.

Molasses

World production of molasses has climbed in direct proportion to sugar output. Total exports of molasses have increased by about 40 percent since 1951-55, when Cuba accounted for over half of the world trade in molasses. Sharply reduced exports from Cuba have been more than offset by increases from all other areas, and the EEC and Japan have become important importers. Livestock feed is the major outlet for molasses in Europe, as well as in the United States. Imports of molasses into the United States have been rather stable over the past few years; therefore, its share of total world imports has declined as world trade expanded. The utilization of molasses in the United States has changed considerably since 1950. During the 1951-55 period, the proportion used to make alcohol dropped from 29 percent of total consumption to less than 2 percent during the 1962-66 period. That used for yeast, citric acid and vinegar increased slightly to 14 percent. The production of pharmaceuticals now accounts for about 7 percent of total use, while that used for livestock feed amounts to about 75 percent.

World production of molasses in 1968-69 is estimated at 3.8 billion gallons, compared with 3.7 billion in 1967-68.

Molasses production for the Dominican Republic in 1968-69 is expected to increase about 10 percent above the reduced 1967-68 level, as more sugarcane will be crushed. Of the production in 1968, nearly 60 percent will go for industrial uses and the remainder will be utilized directly by consumers. British Honduras lost some of its 1967 production of molasses due to rupture of a storage tank, but all other production was shipped to the United States. Martinique is expected to utilize all of its available molasses in 1968 in rum production, including the carryover of about 1 million gallons. Since no importation of molasses is allowed, the 1969 production of rum could be seriously limited.

Belgium is expected to have an increase of about 18.4 percent in molasses production for 1968-69. The Netherlands had a rather substantial increase in molasses utilization for feed purposes in 1966-67, and this has continued. There has also been a noticeable increase in the industrial use of molasses, mainly as a result of a steep increase in (biological) enzyme production for use in detergent soaps. Under the common agricultural policy for the EEC, molasses imports into the Netherlands have been subject to a variable levy since July 1, 1968. As a result, the price of cane-molasses for the local compounder increased slightly, and at the same time increasing volumes of denatured sugar became available at attractive prices. The increased use of sugar in feed is not, however, considered to be detrimental to the use of molasses. This is especially the case since sugar prices on the world market have risen since September.

The Government of India, effective March 26, 1968, amended the Molasses Control Order, 1961, to make it applicable to khandsari (native type of white sugar produced by the centrifugal process) manufactured with the aid of power. When fully implemented, the measure will place the khandsari processors (which account for about 15 percent of total production) on an equal level with respect to the economics of this important byproduct. Prior to the order, the movement and prices of molasses were controlled in respect to quantities produced by sugar mills, while khandsari processors were free to market their byproduct in the open market and received prices usually 10 to 15 percent higher. Average annual exports during 1966 and 1967 were 83,000 tons, mostly to Japan and the United Kingdom. This year supplies are being conserved for the local alcohol industry, and only 734 tons were exported during the first half of calendar year 1968. Molasses produced in Iran has been for home consumption, and there have been no exports. Japan is consuming more molasses, primarily because of increasing use by the liquor, feed, and alcohol industries. Molasses production for Thailand is expected to be up in 1968-69. Disappearance of molasses in liquor distillation has been increasing and now accounts for about two-thirds of total production.

CENTRIFUGAL SUGAR (raw value) 1/: Production in specified countries average 1960-61 through 1964-65, annual 1966-67 through 1968-69 2/

Continent and country	Average 1960-61 through 1964-65	1966-67	1967-68	1968-69 3/
North America (cane unless otherwise indicated):	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Canada (beet)	155	163	149	133
United States				
Continental (beet)	2,774	2,860	2,684	3,600
Continental (cane)	934	1,215	1,457	1,385
Hawaii	1,122	1,191	1,240	1,225
Puerto Rico	999	818	645	800
Virgin Islands of the U.S.	12	0	0	0
British Honduras	33	65	71	70
Costa Rica	91	143	159	150
El Salvador	79	138	142	135
Guatemala	137	200	160	160
Honduras	29	50	54	50
Mexico	1,899	2,679	2,542	2,576
Nicaragua	97	113	118	125
Panama	42	68	76	70
Cuba	5,596	6,200	5,500	6,000
Dominican Republic	852	877	730	850
Guadeloupe	165	160	155	161
Haiti	70	75	72	75
Martinique	85	52	41	47
Barbados 4/	200	225	178	240
Jamaica	524	502	530	504
Antigua	24	5	1	6
St. Kitts	47	43	39	45
Trinidad and Tobago	258	222	268	274
Total North America	16,224	18,064	17,011	18,681
South America (cane unless otherwise indicated):				
Argentina	950	1,125	855	1,005
Bolivia	66	100	120	100
Brazil	3,815	4,807	4,922	5,076
Chile (beet)	88	131	178	205
Colombia	421	635	743	818
Ecuador	162	185	205	225
Guyana	359	386	400	400
Paraguay	40	45	45	50
Peru	878	823	827	716
Surinam	12	20	20	20
Uruguay (beet and cane)	53	68	37	78
Venezuela	325	421	392	403
Total South America	7,169	8,746	8,744	9,096
Europe (beet unless otherwise indicated):				
Austria	312	393	331	325
Belgium and Luxembourg	497	459	634	672
Denmark 5/	341	352	363	359
Finland	58	62	58	60
France	2,309	1,967	1,904	2,576
Germany, West	1,980	2,109	2,271	2,193
Greece 6/ 7/	30	133	140	125
Ireland	156	123	161	170
Italy	1,082	1,507	1,805	1,362
Netherlands	620	633	829	761
Portugal				
Azores and Medeira (beet and cane)	19	23	23	25
Spain (cane and beet)	560	679	690	730
Sweden	312	253	286	295
Switzerland	44	65	81	75
United Kingdom	988	1,030	1,075	1,103
Total West Europe (beet and cane)	9,308	9,788	10,651	10,831

Continued-

CENTRIFUGAL SUGAR (raw value) 1/: Production in specified countries average 1960-61 through 1964-65, annual 1966-67 through 1968-69 2/

Continent and country	Average 1960-61 through 1964-65	1966-67	1967-68	1968-69 3/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Europe - continued:				
Albania 7/	14	18	17	17
Bulgaria 7/	207	375	338	315
Czechoslovakia 7/	1,160	1,021	1,000	1,000
Germany, East 7/	869	748	820	825
Hungary	492	528	495	450
Poland	1,693	1,853	2,100	1,850
Romania	408	536	500	475
Yugoslavia	323	635	540	420
Total East Europe	5,166	5,714	5,810	5,352
Total Europe (beet and cane)	14,474	15,502	16,461	16,183
USSR (Europe and Asia)	7,623	10,100	11,500	11,300
Africa (cane unless otherwise indicated):				
Congo (Kinshasa)	38	39	50	45
Ethiopia	67	82	60	90
Kenya 7/	41	71	85	90
Malagasy Republic	110	117	120	125
Mauritius	559	704	700	690
Mozambique	183	219	276	276
Reunion	246	240	250	300
Rhodesia 8/	95	290	150	150
South Africa, Republic of 9/	1,233	1,794	2,009	1,800
Swaziland 10/	105	165	169	175
Tanzania 7/ 11/	51	90	95	100
Uganda 7/	128	161	170	175
United Arab Republic	401	385	410	400
Other Africa 12/	154	487	489	534
Total Africa	3,411	4,844	5,033	4,950
Asia (cane unless otherwise indicated):				
Burma	66	86	90	90
China, Mainland (cane and beet)	1,026	1,800	2,000	2,200
Taiwan	991	850	950	1,000
India 13/	3,694	3,028	3,083	4,089
Indonesia	708	661	716	750
Iran (beet and cane)	185	394	508	593
Japan (beet and cane)	229	390	428	409
Pakistan (beet and cane)	225	511	498	560
Philippines	1,704	1,718	1,745	1,821
Ryukyu Islands 14/	161	215	243	265
Thailand	212	272	221	329
Turkey (Europe and Asia) (beet)	639	773	872	719
Other Asia (beet and cane) 15/	101	132	117	122
Total Asia	9,941	10,830	11,471	12,947
Oceania (cane):				
Australia	1,806	2,564	2,556	2,857
Fiji Islands	266	392	350	400
Total Oceania	2,072	2,956	2,906	3,257
World Total (cane)	34,382	40,188	39,818	42,714
World Total (beet)	26,532	30,854	33,308	33,700
World total (cane and beet)	60,914	71,042	73,126	76,414

1/ Centrifugal sugar, as distinguished from noncentrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade. 2/ Years shown are crop-harvesting years. For chronological arrangement here, all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May/April year in which harvesting and sugar production began. 3/ Preliminary. 4/ 1960-61 through 1964-65 average includes 3,000 tons each for St. Lucia and St. Vincent, and 50,000 tons for Bahamas in 1968-69. 5/ Danish beets exported to Finland, Sweden, and West Germany, in terms of sugar, not included in the production for those countries. 6/ No sugar produced prior to 1961-62. 7/ Production refers to calendar year for the first of the two years indicated. 8/ Prior to 1964-65, included Malawi and Zambia. 9/ Beginning 1962-63, Swaziland reported separately. 10/ Two-year average, prior to 1962-63 included in South Africa. 11/ Formerly Tanganyika, beginning 1964-65 includes Zanzibar. 12/ Other Africa includes Algeria, Afars-Issas, Somali Republic, Sudan, Angola, Congo (Brazzaville), Liberia, Tunisia, Ghana, Nigeria, Malawi, Zambia and Morocco. 13/ Includes Khandsari. 14/ Prior to July 1965 issue, included in "Other Asia." 15/ Other Asia includes Afghanistan, Israel, Syria, South Vietnam, Iraq, Lebanon, Ceylon, Nepal and South Korea.

NONCENTRIFUGAL SUGAR 1/: Production in specified countries, average 1960-61 through 1964-65, annual 1966-67 through 1968-69 2/

Continent and country	Average 1960-61 through 1964-65	1966-67	1967-68	1968-69 3/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North America:				
Costa Rica	76	44	44	45
El Salvador	24	31	28	30
Guatemala	38	32	30	30
Mexico	136	130	127	130
Nicaragua	22	18	18	20
Panama	4	4	4	4
Total	300	259	251	259
South America:				
Colombia	683	680	670	650
Ecuador	38	31	44	40
Peru	26	15	14	13
Venezuela	53	39	42	40
Total	800	765	770	743
Asia:				
Burma	163	160	160	160
China, Mainland	417	700	800	800
Taiwan	24	24	24	25
India	4,995	5,512	4,960	6,000
Indonesia	334	330	330	340
Japan	24	8	7	8
Pakistan	768	616	726	706
Philippines	51	68	68	70
Ryukyu Islands	15	15	15	15
Thailand	148	198	198	215
Vietnam	36	40	40	40
Total	6,975	7,671	7,328	8,379
Total of above	8,075	8,695	8,349	9,381

1/ Noncentrifugal sugar includes all types of sugar produced by other than centrifugal process which is largely for consumption in the relatively few areas where produced. The estimates include such kinds known as piloncillo, panela, papelon, chancaca, radura jaggery, gur, muscovado, panocha, etc.

2/ Years shown are crop-harvesting years. For chronological arrangements here all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May-April year in which harvesting and sugar production began.

3/ Preliminary.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research and related information.

MOLASSES, INDUSTRIAL: World production, averages 1960-61 through 1964-65, and annual 1966-67 through 1968-69 1/

Continent and country	Average 1960-61 through 1964-65	1966-67	1967-68	1968-69
	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons
North and Central America:				
Canada 2/	10,721	12,396	11,895	11,895
Costa Rica	3,625	6,045	6,100	6,000
Cuba 3/	226,860	225,000	210,000	200,000
Dominican Republic	55,646	50,947	45,000	50,000
El Salvador	4,202	8,265	8,221	8,000
Guatemala	7,057	10,000	9,700	9,700
Haiti	3,867	4,000	4,000	4,000
Jamaica	31,496	29,877	32,353	31,402
Mexico	133,086	191,053	180,751	187,307
Nicaragua	6,009	4,252	5,750	6,000
Panama	2,953	8,429	8,500	8,500
Trinidad and Tobago	17,544	14,483	15,171	15,250
United States, Mainland	258,522	280,811	290,367	375,000
Hawaii	55,535	59,772	61,672	60,000
Puerto Rico	60,631	60,700	52,100	60,000
Other	30,753	(33,000)	(35,000)	38,000
Total	908,507	999,030	976,580	1,071,054
South America:				
Argentina	70,839	75,509	54,135	65,000
Brazil	244,667	270,000	300,000	310,000
Chile	3,192	4,172	6,571	7,399
Colombia	19,095	27,200	31,800	35,000
Guyana	21,594	25,090	25,681	26,625
Peru 2/	47,068	55,000	56,000	48,000
Uruguay	3,568	3,943	2,746	4,383
Venezuela 2/	24,972	28,347	27,000	28,000
Other	21,332	(49,000)	(55,000)	(60,000)
Total	456,327	538,261	558,933	584,407
Europe:				
Austria	13,156	15,134	13,149	12,793
Belgium and Luxembourg	19,083	18,404	25,731	30,456
Denmark	14,940	10,676	12,737	11,238
Finland	3,673	4,495	4,121	4,000
France	94,403	80,167	80,916	103,019
Germany, West	86,594	83,726	96,463	93,653
Greece	4/2,481	7,144	7,370	7,000
Ireland	7,177	4,358	6,214	6,500
Italy	50,523	95,732	114,257	84,288
Netherlands	24,238	24,537	27,159	26,223
Spain	31,950	37,433	43,099	45,291
Sweden	13,299	11,051	12,737	12,924
Switzerland	1,804	2,435	2,810	2,997
United Kingdom	52,029	53,859	60,330	60,330
Total West Europe	415,350	449,151	507,093	500,712

(Continued)

MOLASSES, INDUSTRIAL: World production, averages 1960-61 through 1964-65, and annual 1966-67 through 1968-69 1/ (continued)

Continent and country	Average 1960-61 through 1964-65	1966-67	1967-68	1968-69
	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons
Europe (continued):				
Hungary	25,359	32,000	25,000	25,000
Poland	71,813	86,161	95,000	85,000
Romania	5/20,479	26,000	23,300	21,000
Yugoslavia	14,348	25,000	22,000	18,000
Other East Europe	(106,570)	(105,000)	(90,000)	(85,000)
Total East Europe	238,569	274,161	255,300	234,000
Total Europe	653,919	723,312	762,393	734,712
USSR (Europe and Asia)	375,180	450,000	465,000	430,000
Africa:				
Angola	2,931	3,184	3,000	3,000
Mauritius	22,602	24,933	26,000	25,000
Mozambique	10,010	12,175	13,500	13,500
South Africa, Republic of	42,498	76,466	85,000	77,000
United Arab Republic 6/	31,181	31,468	29,969	30,000
Other Africa	51,000	(68,500)	(65,000)	(70,000)
Total	160,222	216,726	222,469	218,500
Asia:				
China, Taiwan	32,500	41,207	45,000	47,000
India	201,580	131,145	149,845	200,000
Indonesia	32,966	35,000	37,000	38,000
Iran	7,239	14,610	18,543	21,540
Japan	2/9,440	6,930	7,492	7,867
Philippines	83,203	83,057	89,697	97,549
Thailand	27,433	30,096	27,810	36,113
Turkey	24,498	30,674	36,252	30,000
Other Asia	52,761	(180,000)	(183,000)	(185,000)
Total	471,620	552,719	594,639	663,069
Oceania:				
Australia	63,695	81,883	89,086	93,254
Fiji	11,250	18,000	16,000	18,000
Total	74,945	99,883	105,086	111,254
Total world	3,100,720	3,579,931	3,685,100	3,812,996

1/ In each country the year of production is the same as that for centrifugal sugar production. Production has been estimated by groups of countries known to produce centrifugal sugar, but for which insufficient data are available to show production for each country. Figures in parenthesis are Foreign Agricultural Service estimates. 2/ Calendar year; first year mentioned in heading. 3/ Includes hi-test molasses. 4/ Four-year average. 5/ Three-year average. 6/ May include edible molasses.

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